

assets. Because the risk profiles of these intangible asset benefit streams are likely to be different from the risk profile of the aggregate corporate cash flows, this makes the determination of an appropriate discount rate for intangible assets valuations challenging.

Based on an evaluation of the relative risks associated with the company being valued, operational cash flows are discounted at the weighted average cost of capital with a primary objective of achieving an optimal return on invested capital. As such, the WACC provides an indication of value for the business in its entirety, both tangible and intangible assets.

Accordingly, the WACC might require the application of analysis and judgment to arrive at a discount rate to apply to the disaggregated level of cash flows associated with individual intangible assets. In arriving at appropriate discount rates for intangible assets, a host of variables are considered, including the relative risks of each asset and the facts and circumstances surrounding the exploitation of those assets in the underlying business. Riskier assets such as new technologies may require a discount rate that exceeds the WACC, while a less risky asset may be discounted at a rate at or below the WACC. When making such assessments, it is important to give consideration to the Company's overall WACC (and IRR), because the various discount rates applied to each intangible asset should be such that the overall discount rate can be reconciled to the WACC or IRR.

It is also important that the value derived for a particular intangible asset is considered in the broader context of the values of other assets within the same business and their relative importance to that business as well as the value of the business in its entirety. These precepts comprise the fundamental objective of the WARA. WARA and the reconciliation of the various discount rates applied to each intangible

asset to WACC or IRR is discussed in greater detail in the Test of Reasonableness section of this report.

Discount Rate Selection

In determining the appropriate discount rates to apply to the specific intangible assets valued herein, we gave consideration to the preceding concepts. A market based WACC was derived as a benchmark for consideration relative to the discount rate implied by the Transaction. Accordingly, the specific discount rates applied to the earnings attributable to the intangible assets is that rate which, when considered in conjunction with the rates attributable to all other assets and their relative contributions to the total consideration, results in a weighted average rate consistent with conclusions indicated by the WARA.

Subject Assets Acquired - Intangible

Definition of Intangible Assets

Intangible assets are all the elements of a business enterprise that exist in addition to working capital and tangible assets. They are the elements, after working capital and tangible assets that make the business “work” and are often the primary contributors to the earning power of the enterprise.

An intangible asset shall be recognized as an asset apart from goodwill if it arises from contractual or other legal rights or if it is separable, that is, it is capable of being separated or divided from the acquired business and sold, transferred, licensed, rented or exchanged (regardless if there is intent to do so). An asset arising from contractual or other legal rights shall be recognized regardless of whether those rights are transferable or not from the acquired business. An assembled workforce is to be categorized as part of goodwill. The allocation of cost need only be applied to assets that have material value in relation to the overall cost of the acquisition.

ASC 805 provides the following list as examples of intangible assets that meet the criteria for recognition apart from goodwill:

- i. Marketing-related intangible assets
 - a. Trademarks, trade names
 - b. Service marks, collective marks, certification marks
 - c. Trade dress (unique color, shape or package design)
 - d. Newspaper mastheads
 - e. Internet domain names
 - f. Noncompetition agreements
- ii. Customer-related intangible assets
 - a. Customer lists
 - b. Order or production backlog
 - c. Customer contracts and related customer relationships
 - d. Non-contractual customer relationships
- i. Artistic-related intangible assets
 - a. Plays, operas, ballets
 - b. Books, magazines, newspapers, other literary works
 - c. Musical works such as compositions, song lyrics, advertising jingles
 - d. Pictures, photographs
 - e. Video and audiovisual material, including motion pictures, music videos, television programs
- iii. Contract-based intangible assets
 - a. Licensing, royalty, standstill agreements
 - b. Advertising, construction, management, service or supply contracts
 - c. Lease agreements
 - d. Construction permits
 - e. Franchise agreements
 - f. Operating and broadcast rights
 - g. Use rights such as drilling, water, air, mineral, timber cutting, and route authorities

Valuation Methodology

There are three traditional valuation approaches that can be used to develop an indication of value for an asset: (i) cost approach; (ii) market approach; and (iii) income approach. Within these three basic approaches, several methods may be used to estimate value. An overview of these approaches and methods follow:

Cost Approach

The cost approach measures the benefits related to an asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being analyzed provide less utility than new assets, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence.

The Replacement Cost Method of the cost approach provides an indication of value based on the cost of replacing the asset with one with the same usefulness and comparable structure, less depreciation from physical deterioration and functional and economic obsolescence, if evident and measurable. Similarly, the Reproduction Cost Method applies the same principals based on the cost of producing an exact duplicate of the asset at today's costs.

Market Approach

The market approach determines a value indication for a business, business ownership interest, security, or intangible asset by comparing the subject to similar assets that have been sold. This approach, however, requires the availability of data from transactions involving

similar assets. Given that intangible assets are generally unique to each business, directly comparable data may be difficult or unavailable for such assets. However, market data may be used to estimate the income stream that might reasonably be expected to be generated from a particular asset such as technology or a trademark or trade name.

Income Approach

The income approach is a way of determining the value of a business enterprise, business ownership interest, security or asset using one or more methods that convert anticipated economic benefits into value. The income approach is commonly used because it captures expected future returns to the owner and because it is able to estimate value for unique assets when market transaction data is not available. Methods under the income approach determine an asset's most likely future benefit stream which is then discounted to present value with an appropriate risk-adjusted discount rate.

There are several methods available under the income approach to quantify fair value for a given asset. Some of the more common methods include the following:

- The Relief from Royalty Method is based on the assumption that, in lieu of ownership of an intangible asset, a company would be willing to pay a royalty in order to enjoy the benefits of the asset. Under this method, value is estimated by discounting the hypothetical royalty payments to their present value over the economic life of the asset.
- The Multi-Period Excess Earnings Method ("MPEEM") estimates the value of an intangible asset by quantifying the amount of

residual (or excess) cash flows generated by the asset, and discounting those cash flows to the present. The method substantially resembles a “traditional” financial projection for a company, which includes revenues, costs of goods sold, operating expenses, and taxes projected for the next several years based on reasonable assumptions. Unlike a traditional financial projection, however, the excess earnings methodology requires the application of contributory asset charges. These charges represent the return on and of all contributory assets, and are applied in order to estimate the “excess” earnings generated by the subject intangible asset. Contributory asset charges typically include payments for the use of working capital, tangible assets, and other intangible assets.

- The With or Without Method estimates the value of an intangible asset by quantifying the loss of economic profits under a hypothetical condition where only the subject intangible asset does not exist and needs to be re-created. The projected revenues, operating expenses, and cash flows are calculated in each “with” and “without” scenario, and the difference in the annual cash flows (i.e., the lost profit) is then discounted to the present to derive an indication of value for the asset.

way of a residual method. Please refer to the table below for the methodologies selected for determining the fair value of the Subject Assets:

Subject Assets	Methodology
Trade Names and Trademarks	Relief from Royalty Method
Operating Licenses	MPEEM

Selected Approaches

The Subject Assets valued herein include the DAAG trade name and operating licenses. Although not considered a recognizable intangible asset, we have valued the Company’s assembled workforce acquired in the Transaction for purposes of applying required returns to this contributory asset. Additionally, goodwill has been valued herein by

Valuation of the DAAG Trade Name

Trade names and trademarks are important assets in most business enterprises. Trade names are intellectual property that take the form of a name, term, sign, symbol, logo, design, label, brand, or any combination thereof. They are intended to identify the goods or services of one concern and to differentiate them from those of competitors. Oftentimes, a key driver to the attractiveness of many companies subject to acquisition is the power and allure of the target's underlying trade names and trademarks.

Income Approach - Relief from Royalty Method

The Relief from Royalty Method is a form of discounted cash flow analysis that is predicated upon the economic benefits provided to the owner of the intangible asset. The theoretical underpinning of the methodology is that if the intellectual property asset being valued were not owned by its user, the user would normally have to pay the owner a royalty for the right to use the asset. The royalty is generally based on a percentage of revenues, and is a function of the right being granted and a variety of economic factors.

The value of the trade names and trademarks are measured through the value of the royalties that the company is relieved from paying due to its ownership of the assets. This approach provides a measure of value by determining the avoided cost; i.e. the present value of the avoided royalties. The projected annual after-tax cost savings are then subjected to a present value calculation. Accordingly, the key components of this valuation methodology include a forecast of revenues and the determination and application of an appropriate royalty rate and discount rate.

Revenues

Management provided us with a projection of revenues for the period 2021 through 2026, consistent with the DCF analysis. Based on discussions with Management, we assumed 100.0 percent of the overall revenues of the Company are attributable to the trade names and trademarks.

Royalty Rate Determination

In determining the appropriate royalty rate to apply in this analysis, we relied upon publicly available licensing data from RoyaltySource, as well as individually researched data from public company filings. RoyaltySource is a searchable database of technology and trademark sale and licensing transactions. Data regarding these transactions includes royalty rate information, names of licensees and licensors, descriptions of the licensed property, among other items. We reviewed RoyaltySource's transactions related to trade names and trademarks of companies within the asset and investment management industry. Based on our review, we selected the licensing arrangements described in Appendix VII, Schedule 10 to provide guideline royalty rates. We observed royalty rates ranging from 0.6 percent to 3.0 percent. We selected a 0.75 percent royalty rate. Based on discussions with Management, the DAAG Trade Name is very young and would be co-branded with FTX Europe over the near-term. There has also not been a significant amount of investment in the brand to date. As a result, we decided on a royalty rate towards the lower end of the observed licensing agreements. We also considered the profit margin split rule of thumb that considers a royalty rate would not exceed 25 percent of the subject company's earnings before interest and taxes ("EBIT") margin as a sanity check to the selected rate. We utilized Management's projected EBIT margins in applying the rule of thumb and noted that the margins support the royalty rate selected. Considering the data

observed from RoyaltySource; the profit margin split rule of thumb; and qualitative information provided by Management, we believe that a 0.75 percent is a reasonable royalty rate for the Company's trade names and trademarks as of the Valuation Date.

Valuation

To calculate royalty savings, we applied the selected royalty rate of 0.75 percent to 100.0 percent of revenue, as Management believes that all of its business is in some manner tied to the trade names and trademarks. We assumed a 6-year for the economic life of the trade names and trademarks, based on discussions with Management. We then adjusted the pre-tax relief from royalty by a tax rate of 12.0 percent based on information provided by Management. We determined the value of the Company's trade names and trademarks by discounting the after-tax royalty savings by a discount rate of 37.5 percent. This discount rate exceeds the WACC, reflecting the greater risk attributes of this intangible asset as compared to the risks associated with aggregate cash flows of the Company. Finally, we added to the sum of the discounted after-tax royalty savings the present value of the tax benefit related to the amortization of the Company's trade names and trademarks.

Conclusion

Based on our analysis, as presented in Appendix VII, Schedule 9, we determined that the fair value of the Company's trade names and trademarks was \$1.4 million as of the Valuation Date.

Valuation of the Operating Licenses

Nature of Operating Licenses

DAAG holds various operating licenses that allow them to tokenize publicly available securities and list them for sale on the blockchain. Considering that these licenses facilitate the Company's main source of revenue, BDO finds it reasonable to value them using the MPEEM. The Operating Licenses are further discussed below:

A. Anti-Money Laundering (“AML”) License in Switzerland:

The Financial Market Supervisory Authority requires the firms that it supervises to adopt a risk-based approach to AML (Anti-Money Laundering)/CFT (Combating the Financing of Terrorism) compliance. This means that firms in Switzerland must assess their customers individually and then deploy a compliance response commensurate with the level of risk that they face. Accordingly, high risk customers should be subject to more intensive AML/CFT controls, while low risk customers may only require simpler measures.

B. Trading License in Dubai

Under this Operating License, DAAG is allowed to own and operate a proprietary trading house in crypto commodities. This Operating License was issued on October 6, 2021, with a length of one year.

C. Modulus Exchange License

DAAG has a software license called the Modulus Exchange Solution through which DAAG can operate a crypto derivative exchange

platform. This license agreement goes until either party decides to terminate.

D. Cysec Trading License

Under this Operating License issued in Cyprus, DAAG can provide the following services:

- Reception and transmission of orders in relation to one or more financial instruments
- Execution of orders on behalf of clients
- Portfolio management
- Provision of investment advice
- Safekeeping and administration of financial instruments, including custodianship and related services.
- Grant credits or loans to one or more financial instrument
- Foreign exchange services.

The aforementioned services can also be provided in Austria.

E. FMA Lichtenstein Tokenized Stocks License

Through this license, DAAG was authorized by the Financial Market Supervisor of Lichtenstein to issue and trade tokenized stocks. This Operating License was issued on July 5, 2021, and is renewable in one year.

Income Approach - MPEEM

The methods under the income approach are most commonly used with respect to the analysis of customer intangibles. We used the MPEEM under the income approach to value the operating licenses. The MPEEM determines the value of a specified asset by calculating the present value of future earnings attributable to the asset.

Many assets in addition to the operating licenses contribute to earning the Company's cash flow ("Contributory Assets"). Accordingly, in order to derive the cash flow attributable to the operating licenses, we must deduct the cash flows required to provide returns on the Contributory Assets. The cash flows relating to operating licenses are equal to the "excess earnings" remaining after subtracting the returns on the Contributory Assets from the cash flow.

We computed the "excess earnings" related to the Company's operating licenses as follows:

Revenues

Management provided us with a projection of revenues for the period 2021 through 2026. From there, we projected out revenues in line with the long-term growth rate until cash flows became de-minimis. For each period, we estimated that 100.0 percent of revenues was anticipated to be generated by the operating licenses as of the Valuation Date.

Probability of Non-Compliance

Instead of using a traditional attrition curve, we opted to use an annual probability of non-compliance, as this was more fitting to the nature of the business. To derive the revenues for each period, we adjusted total

revenues by a compliance curve calculated utilizing the selected probability of non-compliance. Based on discussions with Management regarding the likelihood of the licenses not being renewed due to falling out of compliance, we selected a 1.0 percent probability of non-compliance to apply to the operating license analysis. We used the selected probability of non-compliance to develop the compliance curve, which was applied to projected revenue attributable to existing customers.

Taxes

We deducted income taxes based on a 12.0 percent tax rate as selected based on information provided by Management.

Returns on Contributory Assets

To reflect the fact that certain assets contribute to generating cash flows related to the customer relationships, returns for these other assets, or “Contributory Asset charges” were calculated and deducted from operating income to identify the cash flow solely attributable to the customer relationships.

The resulting “excess earnings” are considered exclusively attributable to the Company’s current customer relationships. We discounted these excess earnings to present value using a 37.5 percent discount rate. This discount rate exceeds the WACC, reflecting the greater risk attributes of this intangible asset as compared to the risks associated with aggregate cash flows of the Company. We added to the sum of the discounted excess earnings and the present value of the tax benefit related to amortization of the Company’s customer relationships to determine the fair value of the Company’s customer relationships.

Conclusion

Based on our analysis, as presented in Appendix VII, Schedule 11, we determined that the fair value of the Company’s operating licenses was \$149.9 million as of the Valuation Date.

Contributory Assets Calculation

The use of the MPEEM requires that charges for the use of other contributory assets be subtracted under the theory that the owner of the subject asset does not own the other contributory assets and would have to rent/lease them in order to earn the cash flows related to the subject asset.

The contributory assets considered herein, stated at their estimated fair value basis over the projection interval, included debt-free, cash-free working capital, fixed assets and certain recognizable intangible assets. The intangible assets consisted of the Ledger Prime Trade Name and Assembled Workforce. Although not recognizable under the Statement of Financial Accounting Standards as an identifiable intangible asset, the assembled workforce is an important contributory intangible asset of the Company.

Return on Debt-Free Net Working Capital

DFNWC is defined as current assets minus current liabilities, excluding current maturities of long-term obligations.

The projected return on DFNWC was based on the capital mix method, assuming an after-tax cost of debt of 2.9 percent, a cost of equity of 42.2 percent, and a percentage of debt financing of 90.0 percent, which yields a return of 7.0 percent, as shown in Appendix VII, Schedule 2.

Return on Tangible Assets

Tangible assets, which consist of net fixed assets, are based upon the level of tangible assets currently deployed and anticipated capital expenditures for normal asset replacement. The projected return on fixed assets was based on the capital mix method, assuming an after-tax cost of debt of 2.9 percent, a cost of equity of 42.2 percent, and a percentage of debt financing of 80.0 percent, which yields a return of 10.5 percent, as shown in Appendix VII, Schedule 2.

Return on Intangible Assets

Intangible assets deployed in the generation of earnings from the customer relationships consist of the Assembled Workforce. A 37.5 percent after-tax required rate of return has been deemed appropriate for the Assembled Workforce.

Conclusion

Please refer to the contributory asset charges as presented in Appendix VII, Schedule 12 for additional information.

Valuation of the Assembled Workforce

We estimated the fair value of the acquired assembled workforce in order to apply its appropriate capital charge component in our estimated fair value for the intangible asset described above. The assembled workforce was valued using the Replacement Cost Method under the cost approach. Under this method, workforce value is a function of costs avoided through obtaining a pre-existing, trained and fully efficient team rather than incurring the costs to assemble this workforce.

By acquiring an assembled workforce, the costs of recruiting, interviewing and training the appropriate staff were avoided. Based on discussions with Management, we identified a representative unit cost for hiring and training new staff by department. These rates were applied to the number of acquired employees in each department to estimate the savings realized by the Company. New employees require a period of time to reach full productivity and are therefore not as efficient as seasoned employees. This period of lower productivity represents an implicit cost of assembling a workforce. This effect is quantified in terms of the period of time that a new employee could be expected to be less than fully productive. In addition, their starting efficiency was compared to their expected seasoned efficiency. This period was compared to the average fully loaded cost (salary plus benefits) of the assembled workforce to determine the cost of this lost productivity.

Management provided us with information regarding the number of employees, average salaries and recruitment and interview practices. We have determined the cost to replace and develop a staff of similar educational background, training and professional experience as the existing staff at the Company.

Conclusion

Based on our analysis, as presented in Appendix VII, Schedule 14, we determined that the fair value of the assembled workforce was \$9.1 million as of the Valuation Date.

Test of Reasonableness - Weighted Average Return on Assets

The business enterprise comprises a combination of both tangible and intangible assets, each with their own risk profiles and corresponding required rates of return. A “hierarchy of returns” concept applies in the selection of returns attributable to specific underlying assets of a given business. All returns are stated within the context of the weighted average cost of capital, but some assets carry more risk than others. Thus, assets that are more readily converted into cash possess greater utility outside of the existing economic entity or have more robust earnings support are considered less risky and afforded lower required rates of return than those less favorably positioned. In general, intangible assets carry the most risk in a business, whereas cash and receivables, at the opposite end of the risk spectrum, may carry the least risk and consequently, lower required rates of return. Generally speaking, the required rate of return on intangible assets would be higher than the required rate of return on tangible assets. Accordingly, the required rate of return for the combination of assets that comprise the business enterprise would be equal to the weighted average rate of return evidenced by the individual component assets and their relative contributions to the total purchase consideration.

A weighted average returns analysis (“WARA”) of the collection of tangible and intangible assets acquired was utilized to confirm that the

selected discount rates applied in the valuation of the intangible assets of the Company results in a weighted average rate of return consistent with the WACC and the IRR implied by the Transaction.

The WARA analysis is presented in Appendix VII, Schedule 2. As shown, each asset class lists an after-tax rate of return and the weighted rate of return. After-tax rates of return for net working capital and tangible assets are not readily available. Therefore, returns are estimated based upon the pre-tax returns that are available in the marketplace which are then tax-affected to arrive at the appropriate after-tax rate of return. The projected return on DFNWC was based on the capital mix method, assuming an after-tax cost of debt of 2.9 percent, a cost of equity of 42.2 percent, and a percentage of debt financing of 90.0 percent, which yields a return of 7.0 percent.

Typically, the rate of return for tangible assets would be higher than that for more liquid assets such as working capital. The projected return on fixed assets was based on the capital mix method, assuming an after-tax cost of debt of 2.9 percent, a cost of equity of 42.2 percent, and a percentage of debt financing of 80.0 percent, which yields a return of 10.5 percent, as shown in Appendix VII, Schedule 2.

The after-tax rate of return for intangible assets was based on a WACC analysis which was described in a previous section of this report. Since the rates of return used in the WACC are based on studies using after-tax rates of return for corporations, the return derived from the WACC does not need to be adjusted for taxes. Therefore, the projected rate of return for intangible assets is based upon the WACC, with adjustments relative to specific risks associated with each intangible asset.

Multiplying the percentage of fair value for each asset by the after-tax required rate of return results in a weighted rate of return for each

asset. The sum of these weighted returns amounts to the weighted average rate of return for the entire Company, which is then evaluated in the context of the WACC and the IRR implied by the Transaction. As shown in Appendix VII, Schedule 2, we compared the WACC of 38.0 percent and the IRR of 38.0 percent and the WARA of 37.8 percent. We observed these three rates to be similar and therefore consider them to reconcile with one another and confirm that the selected discount rates applied in the valuation of intangible assets are reasonable.

Contingent Consideration

Per ASC 820, “Contingent consideration is an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met.” Contingent consideration is typically used to bridge the gap between what a seller would like to receive and what the buyer would like to pay.

As outlined in the Purchase and Sale section of the Share Purchase Agreement dated November 14, 2021 (the “Agreement”), potential contingent consideration payments are included as part of the overall total purchase consideration. The earnout is based on achievement of certain targets detailed below⁴:

- The Sellers shall provide (via acquisition, services or other written relationship) a CFD broker that is licensed to and has the necessary Permits to service customers in the European Economic Area (including Germany), and actively solicits and provides to retail and professional customers in the European Economic Area (including Germany), under the FTX brand,

futures and other derivatives with crypto assets as underlying (such as perpetual and dated futures, contracts for difference type OTC derivatives), provided that all such products allow a leverage of at least 2:1 (“Milestone 1”); and

- The Sellers shall grant the Purchaser (or an affiliate or other entity designated by the Purchaser) an exclusive option to acquire the CFD broker mentioned in Milestone 1 (“Milestone 2”) at conditions reasonable under the circumstances, provided that to the extent applicable, this Milestone 2 shall be conditioned upon approval by applicable governmental authorities.
- Projected payments to be received including:
 - (i) a total sum of \$33,333,337.50 (“Bonus Component”) will be payable to Seller 1 and (ii) a total of 1,373,247 common shares (estimated value of \$50,000,000) of the Purchaser (“Stock Component”) will be payable to Seller 1 and Seller 2, in each case as set forth on Exhibit B, upon the achievement of the milestones mentioned above, and;
 - (ii) An extra bonus of \$5,000,000 (“Extra Bonus Component”) will be payable to each of Seller 1 and Seller 2 as set forth on Exhibit B if, by not later than the date that is one month after the Execution Date, the CFD broker mentioned in Milestone 1 receives all regulatory approvals to actively solicit and actually provides to retail and professional customers in the European Economic Area (including Germany), under the FTX brand, all its futures and other derivatives with crypto assets as underlying (such as perpetual and dated futures, contracts for difference type OTC derivatives) with a leverage of at least

⁴ Referenced from the Share Purchase Agreement dated November 14, 2021

20:1. If achieved, the Extra Bonus Component shall be paid by not later than two months after the Execution Date.

Conclusion

Based on the above, the fair value of the contingent consideration was concluded to be \$83.5 million, as shown in Appendix VII, Schedule 15.

Valuation of Contingent Consideration

The fair value of the contingent consideration payments was estimated using a discounted cash flow methodology. We projected the prospective contingent payments based on the likelihood and timing of achievement of the milestones noted above. We note that the additional cash component of \$30,000,000, payable to the sellers over 4-years provided they remained employed, was excluded from the contingent consideration calculation. Based on discussion with Management, we determined that the additional cash component was compensation rather than part of the contingent consideration.

Probability of Achievement

Management indicated that each of the Milestones were already in process, with various avenues to achieve them, as of the Valuation Date, therefore making it very likely that they would be met. As such, we deemed the probability of achievement to be 95.0 percent for each Milestone.

Discount Rate

We utilized the financial services composite BBB yield curve to discount the contingent cash flow payments at the Valuation Date. The yield curve approach took into consideration the timing of the expected contingent cash flow payments and the risk of the acquirer being able to make the contingent payments in accordance with the Agreement (i.e., counterparty risk).

Conclusion of Value

Based on our analysis, in accordance with ASC 805, as presented in the table below and in Appendix VII, Schedule 1, it is our opinion that the fair values of the Subject Items as of the Valuation Date are:

Subject Assets / Liabilities	Fair Value (Rounded in \$)
Trade Names and Trademarks	\$ 1,400,000
Operating Licenses	\$ 152,100,000
Contingent Consideration	\$83,479,000

Subsequent Events

This valuation was prepared as of the Valuation Date, based on information known or knowable as of this date. According to the Statement of Standards for Valuation Services No. 1, events occurring after the valuation date may be of such nature and significance to warrant disclosure, to be determined by the valuation analyst, in order to make a user of the valuation report aware of such events and to be informed that such subsequent events may potentially impact the valuation.

APPENDICES

APPENDIX I. SOURCES OF INFORMATION

Information was principally obtained through discussions with and materials provided Management, including but not limited to:

- Background information regarding the history and nature of the business and operations;
- Reviewed financial forecasts and projections provided by Management with respect to the Company, including Management's estimate for fiscal years ending December 31, 2021 through 2026, contemplated when determining the total consideration for the Transaction;
- The Share Purchase Agreement dated as of November 14, 2021 by and among the Sellers and Buyers (as named therein) with respect to the assets of DAAG (the "Agreement");
- Certain supporting schedules attached to the Agreement;
- An organizational chart of the Company;
- Comparable transaction data sourced from RoyaltySource Intellectual Property Database for tradenames and trademarks;
- Summary data regarding the Company's employees including headcount and salaries;
- "2021 Valuation Handbook - Guide to Cost of Capital" published by Duff & Phelps;
- Capital IQ - Financial Database;
- Mergerstat control premium study;
- National Economic Review for the 3rd Quarter of 2021;

- IBISWorld (IBIS World report - Stock & Commodity Exchanges in the US 52321);
- "2021 Crypto Market: Year in Review" published by the BDO Asset Management Practice;
- Publicly available financial data for companies deemed comparable to DAAG; and,
- Other relevant documents and sources deemed necessary to support our opinions.

In the course of this valuation, we held discussions with representatives of the Company including Jurg Bavaud - Chief Financial Officer, Jayesh Peswani - Head of Finance, and Caroline Papadopoulos - Controller concerning the operations, financial condition, future prospects, and projected operations and performance of the Company, and other aspects of Ledger Holdings and its underlying assets that we considered pertinent to our analysis.

Prospective financial information ("PFI") was utilized as part of the fair value measurement process. All such PFI was provided by Management and was represented as being Management's best estimate of such future results. Our work does not constitute an examination, compilation or an agreed-upon procedures assignment as described in AICPA Professional Standards, Attestation Standards Section 200, Financial Forecasts and Projections. Accordingly, DAAG understands and accepts that we have not been employed in the capacity of examining certified public accountants and has not therefore expressed any form of comfort or assurance on the achievability of forecasts or the reasonableness of underlying assumptions beyond what is generally accepted under the standards common to the business valuation profession.

APPENDIX II. ASSUMPTIONS AND LIMITING CONDITIONS

The general assumptions and limiting conditions pertaining to the value conclusions stated in this document are summarized below.

1. To the best of our knowledge and belief, the statements of facts contained in the deliverable(s), upon which the analysis and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in the deliverable(s) or utilized in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawal without notice.
2. The valuation may not be used in conjunction with any other appraisal or study. The value conclusions stated in the deliverable(s) are based on the program of utilization described in the deliverable(s), and may not be separated into parts. The valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of the deliverable(s) may not be utilized by any third party for any purpose, without the express written consent of BDO.
3. No change of any item in any of the deliverable(s) shall be made by anyone other than BDO, and we shall have no responsibility for any such unauthorized change.
4. The work papers for this engagement are being retained in our files and are available for Client's reference. We would be

available to support our valuation conclusions should this be required. Those services would be performed for an additional fee.

5. Neither all nor any part of the contents of the deliverable(s) shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings including but not limited to those filed with Securities and Exchange Commission or other governmental agency, without the prior written consent and approval of and review by BDO.
6. Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an "opinion of title," and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. No formal investigation of legal title to or liabilities against the business valued was made, and we render no opinion as to ownership of the business or condition of its title.
7. We take no responsibility for any events, conditions or circumstances affecting our opinion of value that take place subsequent to the valuation date.
8. This valuation is based on historical and prospective financial statements. Some assumptions or projections inevitably will not materialize and unanticipated events and circumstances may occur during the forecast period. These could include major changes in the economic conditions; significant increases or decreases in current interest rates and/or terms or availability of financing altogether; property assessment; and/or major revisions in current state and/or federal tax or

regulatory laws. Therefore, the actual results achieved during the projected period and investor requirements relative to anticipated annual returns and overall yields could vary from the projection. Thus, variations could be material and have an impact on the value conclusions stated herein.

9. Budgets/projections/forecasts relate to future events and are based on assumptions that may not remain valid for the whole of the relevant period. We express no opinion as to how closely the actual results will correspond to those projected/forecast by management.
10. We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of Management.
11. Our work with respect to prospective financial information did not constitute an examination, compilation, or agreed upon procedures engagement of a financial forecast in accordance with standards established by the American Institute of Certified Public Accountants, and we do not express assurance of any kind on it.
12. We are not required to give testimony or be in attendance at any court or administrative proceeding with reference to the business appraised unless additional compensation is agreed to and prior arrangements have been made.
13. Our engagement is related to providing our conclusion of value and not to provide tax advice. Based on current Internal Revenue Service rules and standards, any tax advice that might be contained in the report issued as a result of this engagement is not intended to be used, nor can it be used, for the

avoidance of any tax penalty that the Internal Revenue Service should assess related to this matter.

14. We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the date of this report.
15. Our valuation opinion is necessarily based on the definition of value stated in the report. An actual transaction involving the subject items might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivational influences which may affect the sale of the subject items. We assume no responsibility for the price individual buyers and sellers may reach in an actual transaction.
16. Unless otherwise stated in the report, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the Valuation Date.
17. BDO is not an environmental consultant or environmental auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. BDO does not conduct or provide environmental assessments and has not performed one for the subject property.

18. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
19. No opinion is intended to be expressed for matters that require legal or other specialized expertise, investigation, or knowledge beyond that customarily employed by valuation specialists valuing a business, a business ownership interest, security, or intangible asset.
20. Financial statements and other related information provided by Digital Assets DA AG or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. BDO has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

APPENDIX III. CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinion, and conclusions;
- Neither BDO nor I have any present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the American Institute of Certified Public Accountants Statement on Standards for Valuation Services No. 1.; the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code

of Ethics of the American Society of Appraisers; Mandatory Performance Framework for the Certified in Entity and Intangible Valuations Credential; and the Professional Standards of the National Association of Certified Valuators and Analysts;

- The following professionals provided significant professional assistance to the person(s) signing this report; Luis Llontop Barahona and Ben Tindall;



Evlon Charles
Director - Valuation & Business Analytics



Matthew Goldberg
Principal - Valuation & Business Analytics

APPENDIX IV. APPRAISER'S QUALIFICATIONS

Eylon Charles

Director

EXPERIENCE SUMMARY

Eylon Charles is a Director within the Valuation & Business Analytics practice of BDO in Houston. He has over 10 years of professional experience performing business valuations for both tax planning and financial reporting purposes in accordance with United States Generally Accepted Accounting Principles (GAAP). His valuation experience includes valuation analyses for purchase accounting, goodwill impairment, tax restructuring, acquisition pricing, as well as providing strategic decision support related to transactions. Eylon has significant experience valuing businesses, underlying intangible assets, liabilities, financial instruments, including equity and debt interests.

Eylon has experience in the oil and gas industry, including valuations of upstream oil and gas reserves and valuations within oilfield services, engineering and construction, water and power utility segments. Eylon also has significant experience with valuations within the financial services sector including: the commercial banking, insurance and asset management industries. Within the energy and financial services sectors, Eylon has valued intangible assets including, but not limited to: customer relationships, trade names and brands, internally developed software, non-compete agreements, patents, core deposit intangibles, distribution agreements, purchased credit card relationships and indemnification assets. He has also valued financial instruments including, but not limited to: loan portfolios, company debt, trust preferred securities and FHLB Advances.

Prior to joining BDO, Eylon worked at KPMG LLP's Economic and Valuation Services practice in Chicago as well as in KPMG's Department of Professional Practice in New York. He most recently worked at Ernst and Young LLP's Transaction Advisory Services practice in Houston. He has also worked within the commercial banking sector in the Caribbean and in the United Kingdom.

EDUCATION

B.Sc., Economics and Management, University of the West Indies
MBA, Finance, Rice University - Jesse H. Jones Graduate School of Business

Matthew Goldberg

Principal

EXPERIENCE SUMMARY

Matthew Goldberg is a Principal in the Valuation and Business Analytics group of BDO and leads the group's Financial Services, Complex Financial Instruments, and Hard-to-Value Assets Practice. Having more than 15 years of advisory and financial services experience, Matthew brings his institutional experience when working with client to provide advisory services that achieve a range of business and strategic objectives. In addition, to providing valuation services, his practice provides model validation, risk management, and asset liability management consulting services.

Matthew has extensive experience valuing a wide range of debt products and complex financial instruments including contingent consideration, cryptocurrency, adjustable stock options and warrants, restricted stock units, performance-based shares, convertible debt instruments, and other hedging instruments such as interest rate swaps and put/call strategies.

He has been involved in numerous engagements including assisting management in strategic planning, performing projects for financial reporting and tax reporting, and providing advisory services related to mergers and acquisitions.

Matthew has worked on numerous valuation assignments for purposes of ASC 718 and ASC 805 intangible asset valuation and purchase price allocations, ASC 350 goodwill impairment analyses, and international tax valuations.

Prior to joining BDO, Matthew worked in a Big Four Firm's Transaction Advisory Services Practice providing valuation services. His experience includes providing consulting services for buy- and sell-side transactions, investment banking, pre-acquisition due diligence, and business interruption analyses.

EDUCATION

M.B.A., Global Finance and French, Thunderbird School of Global Management

B.S., Finance, Colorado State University

Luis Llontop Barahona

Senior Manager

EXPERIENCE SUMMARY

Luis Barahona has diverse experience in the valuation of closely held businesses and limited partnerships. He has performed valuation work for corporate planning, tax and estate planning and sales of business interests in several industries, including healthcare, automotive, manufacturing, technology and restaurants. He is a senior manager at BDO and he is involved in managing business valuation engagement for diverse purposes, including financial reporting, estate tax planning valuation and mergers and acquisitions. In addition, Mr. Barahona assists the TAS team with due diligence engagements, including the preparation of Quality of Earnings Databooks.

Previously, Mr. Barahona was the Head of Equity Research for a prestigious Peruvian investment bank in Peru. In this position, he performed business valuation for public companies in the Mining, Brewing and Energy sectors. He was also involved in primary and secondary offerings of equity and fixed income instruments in the Peruvian Stock Market.

Mr. Barahona was a valuation manager at Jordan Castellon Ricardo P.L. (“JCR”) His responsibilities included management, planning, execution and review of engagements related to business valuation. He was responsible for JCR’s in-house continuing education regarding business valuation matters. Prior to joining JCR, Mr. Barahona was a supervisor in charge of Business Valuations at Morrison, Brown, Argiz & Farra LLP (“MBAF”). Prior to joining MBAF, Mr. Barahona was a Senior Associate with Healthcare Appraisers, Inc. a specialized healthcare valuation firm.

PROFESSIONAL AFFILIATIONS

- Board Member of the American Society of Appraisers (ASA) - Miami Chapter
- Member of the National Association of Forensic Economics
- Member of the New England Business Council
- Member of the Financial Planning Association of Miami - Dade
- Member of the Association of Latino Professionals in Finance and Accounting - Miami Chapter

EDUCATION

Mr. Barahona received his Master's in business administration degree from the William E. Simon School of Business Administration - University of Rochester in 2002. He earned his bachelor's degree in science and Engineering from the Pontifical Catholic University of Peru. Recent seminars include the FICPA valuation conferences.

Ben Tindall

Associate

EXPERIENCE SUMMARY

Ben Tindall is an Associate in the Houston office of BDO, supporting the Valuation & Business Analytics practice. William's business valuation responsibilities include purchase price allocation, goodwill impairment, business enterprise valuation, stock-option valuation, audit reviews of third-party analyses and the valuation of various intangible assets (e.g., developed technology, trademark/trade names, etc.) utilizing various forms of the income, market, and cost approaches.

EDUCATION

B.S., Finance, Louisiana State University

APPENDIX V. ECONOMIC AND INDUSTRY OVERVIEW

As part of our analysis, we considered economic factors that affect the Company and its industry, including those influenced by the general performance and outlook for the overall U.S. economy.

Economic Overview⁵

Gross Domestic Product

According to advance estimates released by the Department of Commerce's Bureau of Economic Analysis (the "BEA"), Real Gross Domestic Product ("GDP"), the output of goods and services produced by labor and property located in the United States, increased at an annualized rate of 2.0 percent during the third quarter of 2021 after increasing at an annualized rate of 6.7 percent in the second quarter of 2021. The increases in annualized GDP growth during the second and third quarters of 2021 follow an increase of 4.5 percent in the fourth quarter of 2020 and an increase of 6.3 percent in the first quarter of 2021. The following explanatory note regarding the increase in GDP during the third quarter is excerpted from the *BEA News Release* dated October 28, 2021:

The increase in third quarter GDP reflected the continued economic impact of the COVID-19 pandemic. A resurgence of COVID-19 cases resulted in new restrictions and delays in the reopening of establishments in some parts of the country. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased.

The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the third quarter because the impacts are generally embedded in source data and cannot be separately identified.

The annualized GDP increase of 2.0 percent during the third quarter of 2021 is below economists' projections for growth of 3.1 percent (*Wall Street Journal Survey*). GDP declined 3.4 percent during 2020, compared to growth of 2.3 percent in 2019 and 2.9 percent in 2018.

Exports decreased 2.5 percent in the third quarter of 2021, compared to a decrease of 2.9 percent in the first quarter and an increase of 7.6 percent in the second quarter of 2021. Durable goods expenditures decreased 26.2 percent in the third quarter of 2021 following an increase of 50.0 percent in the first quarter and an increase of 11.6 percent in the second quarter.

Economists expect GDP growth to continue into the next two quarters. A survey of economists conducted by *The Wall Street Journal* reflects an average GDP forecast of 4.8 percent annualized growth in the fourth quarter of 2021, followed by 4.2 percent annualized growth in the first quarter of 2022.

Economic Indicators

The Conference Board ("TCB") reported that the Leading Economic Index ("LEI"), the government's primary forecasting gauge, increased 0.2 percent in September, which follows increases of 0.9 percent and 0.8 percent in July and August, respectively. Over the six months ended September 2021, the LEI increased 5.4 percent. Traditionally, the LEI is thought to gauge economic activity six to nine months in advance. Consecutive moves in the same direction are considered to be indicative

⁵ *The National Economic Review, Q3 2021* by Mercer Capital.

of the general direction of the economy. Traditionally, the LEI is thought to gauge economic activity six to nine months in advance. Consecutive moves in the same direction are considered to be indicative of the general direction of the economy.

In response to the September reading, Ataman Ozyildirim, Senior Director of Economic Research at TCB, commented: “The U.S. LEI rose again in September, though at a slower rate, suggesting the economy remains on a more moderate growth trajectory compared to the first half of the year.” He added, “The Delta variant, rising inflation fears, and supply chain disruptions are all creating headwinds for the US economy. Despite the LEI’s slower growth in recent months, the strengths among the components remain widespread. Indeed, The Conference Board continues to forecast strong growth ahead: 5.7 percent year-over-year for 2021 and 3.8 percent for 2022.” Six of the LEI’s ten leading economic indicators increased during September 2021. The following table shows the changes among the indicators sorted by the greatest contributors to the monthly change.

Historical Business Cycles and Fiscal Policy Overview

The following table provides perspective concerning the National Bureau of Economic Research’s (“NBER”) business cycles dating from the Great Depression to the present. (The contraction period measures from the peak to the trough. The expansion period measures from the previous trough to the peak.) June 2019 marked 120 months (ten years) of expansion since the June 2009 trough, matching the previous record for the longest period of economic expansion in U.S. history, which occurred from March 1991 to March 2001. This expansion continued another eight months before ending with the 4.8 percent contraction in GDP in the first quarter of 2020. The NBER determined that a peak in monthly economic activity occurred in the U.S. economy in February 2020. The peak marked the end of the expansion that began in June

2009 and lasted a record 128 months, as well as the beginning of a recession. According to the NBER, this recession lasted two months, as the U.S. economy began to recover from the initial shock of the coronavirus pandemic in April of 2020. This makes the 2020 recession the shortest U.S. recession on record.

- The Congressional Budget Office (the “CBO”) announced an estimated \$2.8 trillion budget deficit for fiscal 2021 (twelve months ended September 2021). This deficit was approximately \$362 billion less than the deficit during fiscal 2020. According to CBO estimates, revenues in fiscal 2021 were approximately 18 percent higher than in fiscal 2020 and outlays were 4 percent higher.

For much of the past two years, the U.S. and China have been embroiled in an ongoing trade dispute that was replete with contentious negotiations and the imposition of retaliatory tariffs. The U.S. and China signed an eight-part agreement comprising the first phase of the trade deal on January 15, 2020, effectively placing a hold on the two-year trade war that caused turmoil in global markets and hampered economic growth worldwide. While significant progress was made with the signing of the phase one deal, issues such as possible tariff reductions, favorable Chinese subsidies to domestic companies, and Beijing’s oversight of state-owned firms would be left to further negotiations. Key components of the phase one deal differed slightly from previously reported terms and included the following:

- China will increase purchases of U.S. goods and services (excluding agricultural products) by approximately \$200 billion over the next two-years, using 2017 as a benchmark. Key industries from which China will be purchasing goods include technology and energy;